



Request for City Council Committee Action from the Finance Department

Date: August 10, 2010

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Information pertaining to CPED Funds which will be included in the 2010 2nd Quarter Financial Status Report to the Ways and Means Committee

Recommendation: Receive and file informational report; no action required.

Previous Directives: None.

Prepared by: Jeff Streder, Director, Development Finance, 673-5130

Approved by: Patrick Born, Finance Officer

Steven Bosacker, City Coordinator

Presenter in Committee: Jeff Streder, Director, Development Finance

Financial Impact

No financial impact.

Community Impact

Not applicable.

Supporting Information

None.

**CPED Special Revenue Fund Component Programs
Budget and Actual Expenditures
Cash and Fund Balance
2nd Quarter 2010**

	<u>Original Budget</u>	<u>Current Budget</u>	<u>Expended</u>	<u>Remaining Budget</u>	<u>Cash</u>	<u>Fund Balance</u>
Tax Increment Financing Program	46,646,230	47,447,091	20,591,811	26,855,280	60,654,136	91,372,158
Housing & Economic Development	9,990,899	10,159,452	4,730,443	5,429,009	19,918,558	24,387,971
Development Accounts	16,638,863	16,370,487	6,257,913	10,112,574	23,705,885	44,908,122
Neighborhood Revitalization Program	-	3,602,358	2,907,603	694,755	53,443,211	54,119,207
Preliminary Planning	2,987,340	2,987,340	448,537	2,538,803	(3,458,056)	(3,264,094)
CPED Operating	7,958,557	7,957,477	3,595,410	4,362,067	(5,077,085)	(6,908,380)
Total	84,221,889	88,524,205	38,531,717	49,992,488	149,186,649	204,614,984

Fund Balance. The fund balance of the CPED Special Revenue Fund is reserved for land held for development (\$37,570,782,) for encumbrances (\$8,675,145,) for prepaid items, loans and advances (\$6,296,207,) and for special development projects (\$116,112,506.) **The remaining \$35,960,344 of fund balance is unreserved but restricted to the legal purposes of the special revenue.**

Tax Increment Financing. This program accounts for financial resources to be used for the acquisition and betterment of land and facilities in designated areas of the City. A major financing tool and the primary source of revenue for this program is property tax increment. Generally used to pay outstanding bonds and notes, **tax increment revenues are restricted revenues under State law.**

Housing and Economic Development. Small business loans, housing rehabilitation, and mortgage assistance are the major activities in this program. This program also accounts for the collection of administration fees and the related expenditures for the issuance of housing and economic revenue bonds.

Development Account. This program provides interim loans to CPED projects. The program may also provide loans and grants to organizations within the City. Program assistance is directed to commercial, job-creation, and housing activities. The Program includes activities of the Legacy Fund, the Neighborhood Development Account and the Development Account.

The fund balance includes reserves for prior commitments made by Council action, including \$5 million for the Planetarium and \$21.3 million in 2010 through 2013 for the Accelerated Infrastructure Program.

Neighborhood Revitalization Program. This program focuses on the delivery of City services, including housing and commercial development, to individual neighborhoods based on the priorities set by the people who live and work in those neighborhoods. **Revenues held in this Program are restricted in their use by State law.**

Preliminary Planning. The Preliminary Planning program was established to account for the early costs of planning and assessing the feasibility of development activities. Preliminary Planning allocations and appropriations lapse at year end. **Additional resources eligible to capitalize this program will be identified in 2010.**

CPED Operating. This program provides the working capital to finance CPED's administrative costs. The program also provides financing for projects not eligible for CPED's restrictive revenue sources. The program has experienced the pressure from the combination of dwindling development resources and increasing charges from various City rate models in recent years. **A plan to address the deficit in this fund will be developed as part of the 2011 budget.**

CPED Enterprise Fund Component Programs
Statement of Net Assets
12/31/09 and 6/30/10

	Housing Development Fund	Housing Development Fund	General Agency Reserve Fund	General Agency Reserve Fund	Theatres 12/31/2009	Theatres 6/30/2010	River Terminal 12/31/2009	River Terminal 6/30/2010	Economic Development Program 12/31/2009	Economic Development Program 6/30/2010
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 537,228	\$ 539,474	\$ 1,209,519	\$ 1,459,028	\$ (2,067,175)	\$ (2,075,817)	\$ (367,894)	\$ (361,927)	\$ 711,935	\$ 555,914
Deposits with fiscal agents	-	-	37,899,894	-	-	-	-	-	(150,990)	(990)
Loans and notes receivable	70,000	70,000	780,000	-	-	-	-	-	-	-
Capital leases	-	-	2,590,000	-	-	-	-	-	-	-
Other current assets	14,361	14,361	108,513	5,504	(7,356)	(7,356)	37,478	20,484	2,332	2,332
Total current assets	621,589	623,835	42,587,926	1,464,532	(2,074,531)	(2,083,173)	(330,416)	(341,443)	563,277	557,256
Noncurrent assets:										
Loans and notes receivable	838,038	838,038	405,000	-	-	-	-	-	-	-
Capital leases	-	-	53,585,085	-	-	-	-	-	-	-
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	6,830,542	6,656,779	-	-
Total noncurrent assets	838,038	838,038	53,990,085	-	-	-	6,830,542	6,656,779	-	-
Total assets	\$ 1,459,627	\$ 1,461,873	\$ 96,578,011	\$ 1,464,532	\$ (2,074,531)	\$ (2,083,173)	\$ 6,500,126	\$ 6,315,336	\$ 563,277	\$ 557,256
LIABILITIES										
Current liabilities:										
Due to other funds	-	-	-	-	-	-	-	-	80,000	-
Deposits held for others	-	-	3,704,823	-	-	-	-	-	-	-
Unearned revenue	-	-	760,839	-	-	-	-	-	-	-
Bonds payable - current portion	-	-	3,370,000	-	-	-	-	-	-	-
Notes payable - current portion	-	-	-	-	-	-	-	-	135,571	135,571
Other current liabilities	-	-	277,978	8,386	(4)	(4)	12,905	318	10,996	17,203
Total current liabilities	-	-	8,113,640	8,386	(4)	(4)	12,905	318	226,567	152,774
Noncurrent liabilities:										
Bonds payable	-	-	53,995,000	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-	-	454,866	454,866
Compensated absences payable	-	-	5,453	5,453	-	-	778	778	157	157
Total noncurrent liabilities	-	-	54,000,453	5,453	-	-	778	778	455,023	455,023
Total liabilities	-	-	62,114,093	13,839	(4)	(4)	13,683	1,096	681,590	607,797
NET ASSETS										
Invested in capital assets, net of related debt	-	-	-	-	-	-	6,830,542	6,656,779	-	-
Restricted	-	-	34,463,918	1,450,693	-	-	-	-	-	-
Unrestricted	1,459,627	1,461,873	-	-	(2,074,527)	(2,083,169)	(344,099)	(342,539)	(118,313)	(50,541)
Total net assets	1,459,627	1,461,873	34,463,918	1,450,693	(2,074,527)	(2,083,169)	6,486,443	6,314,240	(118,313)	(50,541)
Total liabilities & net assets	\$ 1,459,627	\$ 1,461,873	\$ 96,578,011	\$ 1,464,532	\$ (2,074,531)	\$ (2,083,173)	\$ 6,500,126	\$ 6,315,336	\$ 563,277	\$ 557,256